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January 26, 2005

Rosario Marin, Chair  
California Integrated Waste Management Board  
1001 "I" Street  
Sacramento, Ca. 95814

RE: Comments on Draft Conversion Technologies Report to the Legislature

Dear Chair Marin:

On behalf of the League of California Cities, I am pleased to offer these comments on the Waste Board's "Conversion Technologies Report to the Legislature", dated February 2005. The report is the result of a study commissioned by the Board which was included in AB 2770 (Matthews – Chapter 740, Statutes of 2002).

This comment letter focuses only on the issue of AB 939 credit and conversion technology (CT). We will leave it to others with more expertise on the subject to provide comments regarding the technical aspects of conversion technology report.

The League's interest in this subject is based upon existing League policy regarding conversion technology and AB 939 credit. Quite simply, the League supports full AB 939 diversion credit from conversion technology facilities, as long as the recyclable materials are removed from the waste stream prior to the material being sent to the CT facility.

In 2002, the Waste Board adopted a policy regarding potential AB 939 credit from conversion technology facilities. Eligibility to receive AB 939 credit would be granted only if specified criteria are met. The League was a party to the negotiations that resulted in the policy and continues to support it. Thus, we agree with the Report's conclusion that AB 939 credit should be granted in conformance with the Board's existing policy, adopted in 2002. That policy, as described on page 7 of the Report, provides that diversion credit should be allowed if the following conditions are met:

- (1) the jurisdiction continues to implement the programs in its SRRE;
- (2) the facility complements the existing recycling infrastructure and is converting solid waste that was previously disposed;

(3) the facility maintains or enhances environmental benefits; and

(4) the facility maintains or enhances the economic sustainability of the integrated waste management system.

The Board's policy also proposed that jurisdictions that meet the above criteria should be eligible to receive 10% diversion credit and that the Board should annually evaluate the amount of diversion credit that could be claimed by a jurisdiction, on a case-by-case basis.

We are pleased to find the Report supportive of the Board's existing policy and urge the Board to adopt this recommendation in the final report. We encourage the Board to embrace this recommendation.

However, we must note that we do not believe that the Report's discussion of potential negative impacts of CT on existing recycling infrastructure is appropriate as written. Specifically, we are concerned about the scenario which evaluates the market impact of "Full diversion credit, *diversion programs discontinued*." [emphasis added] Since the Board's own policy recommends diversion credit only if recycling programs are continued, the scenario and analysis discussed in the Report would be contrary to existing Board policy. More important, we do not believe such a scenario is realistic nor is it supported by any of the parties involved in development of the Board policy. We believe it would be helpful if the report would be modified either to delete this scenario, or to indicate that the scenario is not reflective of any existing Board policy position or that of major stakeholders and thus is not a realistic view of the future.

In conclusion, the League appreciates the staff work undertaken to evaluate conversion technology, consistent with the requirements of AB 2770. The League strongly supports the Board's existing policy regarding AB 939 credit for conversion technology and supports the continued inclusion of this recommendation in the report. The League encourages the Board to pursue legislation that would either grant AB 939 credit for conversion technology, assuming the conditions in Board's policy are satisfied.

I hope these comments provide you with an understanding of the League's perspective on this issue. Please do not hesitate to contact me if you have questions about the League's position.

Sincerely,

A handwritten signature in black ink that reads "Yvonne Hunter". The signature is fluid and cursive, with the first name "Yvonne" being more prominent than the last name "Hunter".

Yvonne Hunter  
Legislative Representative

Cc: Board Members Moulton-Patterson, Mule, Paparian, Peace, Washington